

**UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
NORTHERN DIVISION**

NAUTILUS INSURANCE COMPANY,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	Case No.
	)	
VOYTEK CUSTOM BUILT RESIDENCES, INC.,	)	FILED: JULY 14, 2008
1954-56 N. WILMOT, LLC,	)	08CV3975
BRIGHTON DEVELOPMENT, LLC,	)	JUDGE PALLMEYER
SAM LOPEZ, JR., individually and d/b/a	)	MAGISTRATE JUDGE COLE
LOW COST BUILDERS, INC.	)	YM
	)	
Defendants.	)	
	)	

**COMPLAINT FOR DECLARATORY JUDGMENT**

Plaintiff, Nautilus Insurance Company (“Nautilus”), by and through its counsel of record, Bollinger, Ruberry & Garvey, and for its Complaint against Defendants Voytek Custom Built Residences, Inc. (“Voytek”), 1954-56 N. Wilmot, LLC (“1954-56 N. Wilmot”), Brighton Development, LLC (“Brighton”), Sam Lopez, Jr. (“Lopez”), individually and d/b/a Low Cost Builders, Inc. (“Low Cost Builders”), alleges, states and avers:

**JURISDICTION**

1. Plaintiff Nautilus is an Arizona insurance company, with its principal place of business at 7233 East Butherus Drive, Scottsdale, Arizona 85260.
2. Defendant Voytek is an Illinois corporation, with its principal place of business located at 1000 N. Milwaukee Ave., Ste. 403, Chicago, IL 60622.
3. Defendant 1954-56 N. Wilmot is an Illinois corporation, with its principal place of business located at 306 Midwest Club Parkway, Oak Brook, IL 60523.

4. Defendant Brighton is an Illinois corporation, with its principal place of business located at 306 Midwest Club Parkway, Oak Brook, IL 60523-2527.

5. Defendant Low Cost Builders is a dissolved Illinois corporation that was solely owned by Lopez and had its principal place of business in Justice, Illinois.

6. Defendant Lopez is an Illinois citizen, whose primary residence is located in Illinois.

7. At all relevant times, after Low Cost Builders was dissolved, Lopez continued doing business under the name Low Cost Builders.

8. Defendants 1954-56 N. Wilmot and Brighton have claimed damages in excess of \$215,823.06.

9. This Court has jurisdiction over this matter under 28 U.S.C. § 1332 based on diversity of citizenship of the parties and the matter in controversy exceeds \$75,000.

#### **1954-56 N. WILMOT LAWSUIT**

10. On March 6, 2007, a lawsuit was filed in the Circuit Court of Cook County, Illinois under the caption, *1954-56 N. Wilmot, LLC and Brighton Development, LLC v. Voytek Custom Built Residences, Inc.*, Case No. 2007 L 002347 (the “1954-56 N. Wilmot Lawsuit”). A true and correct copy of the Complaint filed in the 1954-56 N. Wilmot Lawsuit is attached hereto as Exhibit “A”.

11. Voytek was served in the 1954-56 N. Wilmot Lawsuit on or around March 6, 2007.

12. Count I of the 1954-56 N. Wilmot Lawsuit includes the following allegations:

- a. At all times relevant, and currently, Wilmot is the owner of Property . . . commonly known as: 1954-56 North Wilmot, Chicago, Illinois.
- b. On or about December 12 of 2005, Brighton and Voytek entered into a written contract ("Contract") for good and valuable consideration, whereby Voytek was to provide material, services and labor to construct a residential condominium building on the Property, and otherwise improve the Premises (the "Work") and Brighton was to pay Voytek for performance of the Work.
- c. Notwithstanding its contractual obligations, Voytek failed to perform the Work in accordance with the requirements and specifications contained in the Contract documents. Specifically, much of the Work that was performed by Voytek was deficient and not performed in a good and workmanlike manner in breach of the Contract. Said improper and deficient work includes the following:
  1. Improperly pouring and constructing the building's foundation without inclusion of support rebar and dowels as specified by the Contract documents which necessitated the removal and replacement of the entire foundation;
  2. Improperly pouring and constructing the garage footings without inclusion of support rebar and dowels as specified by the Contract documents which necessitated the removal and replacement of the entire garage footing;

3. Improperly constructing site retaining walls which resulted in significant erosion and damage to neighboring property and an adjacent alley which necessitated significant repair and replacement of concrete walkways and patios existing on the neighboring property;
  4. said improper construction of the site retaining walls also resulted in excessive water entering the foundation which resulted in further delays in dewatering the site and remediation of the soil so that a new foundation could be constructed;
  5. Improperly failing to remove significant amounts of construction waste and rubbish left on the site which had to be hauled away by the contractor hired to complete the Work;
  6. Improperly failing to close sewer lines on the construction site, and
  7. Improper alley cuts.
- d. The Contract was terminated by Brighton on July 21, 2006, pursuant to paragraph 19.2.2 due to Voytek's persistent and repeated failure to supply enough properly skilled workers and proper materials to perform the Work in a good and workmanlike manner, and based upon Voytek's substantial breach of contract by failing to correct deficient work as required in paragraph 17.1 of the Contract.
- e. As a result of the numerous deficiencies existing in the Work performed by Voytek under the Contract, all of the Work performed by Voytek required replacement. As a direct result, Plaintiffs had to engage other

contractors to repair and/or replace said deficiencies. Thus, as a result of Voytek's breach, Plaintiffs have suffered damages of at least \$215,823.06.

13. On March 6, 2008, Voytek filed a Third-Party Complaint against Lopez, individually and d/b/a Low Cost Builders. A true and correct copy of the Third-Party Complaint is attached hereto as Exhibit B.

14. Lopez was served on or around March 1, 2008.

15. The Third Party Complaint includes the following allegations:

- a. In the Fall of 2005, Sam Lopez, on behalf of Low Cost Builders, entered in to an oral agreement with Voytek for the excavation and foundation work at the premises. Voytek agreed to pay Low Cost Builders \$80,000,00 for its construction services per the oral agreement. As part of its agreement with Voytek, Lopez and Low Cost Builders agreed to perform its construction services in good and workmanlike manner. Implicit in its agreement, Lopez and Low Cost Builders agreed to follow the construction drawings in performance of its work. Further, Low Cost Builders provided Voytek with a certificate of insurance to cover claims for damage caused by its construction work.
- b. Shortly after pouring the footings and foundation walls, CE Anderson Associates, the Plaintiffs' engineering firm, determined that Low Cost Builders failed to pour the foundation and footings in accordance with the construction drawings.
- c. On April 28 2006, the architect overseeing the construction of the premises rejected the foundation poured by Low Cost Builders on the

grounds that the foundation was improperly poured. As such, Voytek was required to remove and replace the improperly poured foundation.

d. On May 8, 2006, Low Cost Builders submitted a proposal for the remediation work. The new proposal stated that Lopez and Low Cost Builders would do the following:

1. "Demo and haul away the existing foundation walls and footing. (Garage not included).
2. Re-Excavate, according to new, updated drawing.
3. Place footing and foundation as per new or revised plans with all details on foundation sheet or section drawings pertaining to foundation plan.
4. Backfill foundation after inspected and approved by Greg. (General Contractor)
5. All placement of concrete must be inspected and approved by Greg. (General Contractor)"

e. While performing its demolition work, Low Cost Builders failed to adequately shore the retaining walls for the premises. As a result, the Plaintiffs allege that the neighbor's property was damaged. In particular, the Plaintiffs allege that as a result of Low Cost Builders' failure to shore the jobsite, the neighbor's sidewalk began to pull away from the building and created a gap between the foundation and sidewalk. The Plaintiffs further allege that this gap allowed excessive amounts of water to enter the neighbor's foundation and resulted in significant damage.

- f. In addition to the alleged damage to the neighbor's property, Low Cost Builders improperly cut the alleys abutting the premises. As a result of this improper alley cut, Voytek was issued a citation on June 26, 2006, by the City of Chicago. The Plaintiff's allege that Low Cost Builders' failure to adequately shore the alley ways caused significant property damage to the public ways.
- g. Low Cost Builders breached its contract with Voytek because it performed its work in a defective and negligent manner with regards to the foundation, shorings, and alley cuts.
- h. As a direct and proximate result of Low Cost Builders' breach of contract, Voytek was terminated from its general contracting agreement and is now being sued for \$215,823.06 with respect to defective and negligent construction work performed by Low Cost Builders.

**NAUTILUS POLICY**

16. Nautilus issued Policy No. NC 428079 to Low Cost Builders (the "Nautilus Policy"). A true and correct copy of the Nautilus Policy is attached hereto as Exhibit C.

17. The Nautilus Policy is effective from March 14, 2005 through March 14, 2006.

18. The policy limits are \$1,000,000 Each Occurrence, \$1,000,000 Products/Completed Operations Aggregate and \$2,000,000 General Aggregate.

19. The Nautilus Policy contains the following insuring agreement:

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages.

However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. . . .

- b. This insurance applies to "bodily injury" and "property damage" only if:
  - (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
  - (2) The "bodily injury" or "property damage" occurs during the policy period;

20. The Nautilus Policy contains the following definition:

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

21. The Nautilus Policy contains the following exclusion:

#### CONTRACTORS SPECIAL CONDITIONS

#### DEMOLITION AND BUILDING WRECKING CONDITIONAL EXCLUSION

The following exclusion is added to Paragraph 2. Exclusions under SECTION I - COVERAGES, BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

This insurance does not apply to "bodily injury" or "property damage" for demolition or wrecking of buildings or structures conducted by you unless coverage was purchased for "**Wrecking — buildings or structures**" and designated on the Declarations:

The following additional exclusions apply to demolition or wrecking operations:

- (1) This insurance does not apply to "bodily injury" or "property damage" arising out of:



- (a) The use of cranes, ball and chain, or similar apparatus;  
or
  - (b) The demolition or wrecking of any building or structure  
that has an original height in excess of three stories;
- (2) This insurance does not apply to "property damage":
- (a) Of any abutting wall, adjoining wall, common or party  
wall; or
  - (b) Included within the "explosion hazard," the "collapse  
hazard" or the "underground property damage hazard"  
unless coverage is purchased and entered as a covered  
hazard on the Declarations.

The following definitions are added to the DEFINITIONS Section:

\*\*\*

**"Collapse hazard"** means to break down suddenly or give way;  
and includes "structural property damage" and any resulting  
"property damage" to any other property at any time.

**"Structural property damage"** means the collapse of or  
structural injury to any building or structure due to:

- (1) Grading of land, excavating, burrowing, filling, back-  
filling, tunneling, pile driving, cofferdam work or  
caisson work; or
- (2) Moving, shoring, underpinning, raising or demolition of  
any building or structure or removal or rebuilding of any  
structural support of that building or structure.

#### **GROUND FOR DECLARATORY JUDGMENT**

22. Coverage under the Nautilus Policy Insuring Agreement is contingent on  
"property damage" occurring during the policy period.

23. The Nautilus Policy inception on March 14, 2005 and ran for a single year through  
March 14, 2006.

24. As reflected in the Third-Party Complaint in the 1954-56 N. Wilmot Lawsuit, the  
first instance of alleged property damage occurred on or after May 25, 2006.

25. The absence of any property damage occurring during the Nautilus Policy period precludes any actual or potential coverage for the claims stated against Lopez or Low Cost Builders in the 1954-56 N. Wilmot Lawsuit.

26. Additionally, the Complaint and Third-Party Complaint in the 1954-56 N. Wilmot Lawsuit allege the existence of property damage as a result of the “demolition or wrecking of buildings or structures” and “improper alley cuts.”

27. The “Demolition and Building Wrecking Conditional Exclusion” applies to exclude any coverage or potential coverage for Lopez or Low Cost Builders in the 1954-56 N. Wilmot Lawsuit.

28. Nautilus has no duty to defend Lopez or Low Cost Builders in connection with the 1954-56 N. Wilmot Lawsuit.

WHEREFORE, Plaintiff, Nautilus prays:

A. That this Court determine and adjudicate the rights and liabilities of the parties hereto with respect to the Nautilus Policy.

B. That this Court find and declare that the Nautilus Policy does not potentially or actually cover any portion of the claims against Lopez or Low Cost Builders in the 1954-56 N. Wilmot Lawsuit.

C. That this Court find and declare that Nautilus has no duty to defend Lopez or Low Cost Builders in connection with the 1954-56 N. Wilmot Lawsuit.

D. That this Court grant such other and further relief as it deems proper under the evidence and circumstances.

Respectfully submitted,

NAUTILUS INSURANCE COMPANY

/s/ Perry M. Shorris  
One of Nautilus' Attorneys

Perry M. Shorris, Esq.  
Bollinger, Ruberry & Garvey  
500 West Madison Street, Suite 2300  
Chicago, IL 60661-2511  
(312) 466-8000  
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08CV3975

JUDGE PALLMEYER

MAGISTRATE JUDGE COLE

YM

# EXHIBIT A

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, LAW DIVISION

1954-56 N. WILMOT, LLC, an Illinois  
Limited Liability Company, and  
BRIGHTON DEVELOPMENT, LLC,  
an Illinois Limited Liability Company,

Plaintiffs,

v.

VOYTEK CUSTOM BUILT  
RESIDENCES, INC., an Illinois  
Corporation,

Defendant.

Case No.

Breach of Contract

**COMPLAINT**

NOW COME the Plaintiffs, 1954-56 N. Wilmot, LLC (hereinafter, "Wilmot") and Brighton Development, LLC ("Brighton"), by and through their attorneys, Barone & Jenkins, P.C., and for their Complaint against the Defendant, Voytek Custom Built Residences, Inc. ("Voytek"), Plaintiffs state as follows:

**COUNT I  
BREACH OF CONTRACT**

1. Plaintiff, Wilmot, is an Illinois Limited Liability Company with its principal offices located at 306 Midwest Club Parkway, Oak Brook, DuPage County, Illinois. Wilmot is the owner of property located at 1954-56 North Wilmot, Chicago, Illinois (the "Property").

2. Plaintiff, Brighton, is an Illinois Limited Liability Company with its principal offices located at 306 Midwest Club Parkway, Oak Brook, DuPage County, Illinois. Brighton was hired by Wilmot to oversee the construction of a residential condominium building on the Property.

3. Defendant, Voytek, is an Illinois corporation which is engaged in the business of general contracting for residential construction. Voytek's principle place of business is 1000 N. Milwaukee Ave., Suite #403, Chicago, Cook County, Illinois.

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LAW DIVISION

08-000375  
BRIGHTON DEVELOPMENT, LLC  
VS  
VOYTEK CUSTOM BUILT  
RESIDENCES, INC.

4. At all times relevant, and currently, Wilmot is the owner of the Property which is legally described as:

PARCEL 1:

Lots 48 and 49 in Block 5 in Pierce's Addition to Holstein in the North ½ of the Southwest ¼ of Section 31, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 2:

Lots 9 and 10 in Block 5 in Pierce's Addition to Holstein in the North ½ of the Southwest ¼ of Section 31, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PIN'S:           14-31-300-007-0000  
                  14-31-300-008-0000  
                  14-31-300-034-0000

and which Property is commonly known as: 1954-56 North Wilmot, Chicago, Illinois.

5. On or about December 12 of 2005, Brighton and Voytek entered into a written contract ("Contract") for good and valuable consideration, whereby Voytek was to provide material, services and labor to construct a residential condominium building on the Property, and otherwise improve the Premises (the "Work") and Brighton was to pay Voytek for performance of the Work. Said contract is attached hereto and incorporated herein as Exhibit A.

6. The Contract required Voytek to begin the Work on December 12, 2005, and to substantially complete the Work within twelve months. *See Exhibit A at ¶¶ 2.1 through 2.3.*

7. The Contract provides that Voytek was to supervise and direct the work and is responsible to the Plaintiff for acts and omissions of Voytek, the subcontractors and their respective employees. *See Exhibit A at ¶ 8.2.*

8. The Contract also requires Voytek, to promptly correct work rejected by the architect or work which fails to conform to the requirements of the Contract documents, at the Contractor's expense. *See Exhibit A at ¶ 17.1.*

9. Implicit in the contract is a requirement that the work be performed in a good and workmanship manner.

10. Voytek also agreed pursuant to the Contract to keep Property free from accumulation of waste and rubbish caused by operations under the Contract. *See Exhibit A at ¶ 8.10.*

11. Notwithstanding its contractual obligations, Voytek failed to perform the Work in accordance with the requirements and specifications contained in the Contract documents. Specifically, much of the Work that was performed by Voytek was deficient and not performed in a good and workmanlike manner in breach of the Contract. Said improper and deficient work includes the following:

- a. Improperly pouring and constructing the building's foundation without inclusion of support rebar and dowels as specified by the Contract documents which necessitated the removal and replacement of the entire foundation;
- b. Improperly pouring and constructing the garage footings without inclusion of support rebar and dowels as specified by the Contract documents which necessitated the removal and replacement of the entire garage footing;
- c. Improperly constructing site retaining walls which resulted in significant erosion and damage to neighboring property and an adjacent alley which necessitated significant repair and replacement of concrete walkways and patios existing on the neighboring property;
- d. said improper construction of the site retaining walls also resulted in excessive water entering the foundation which resulted in further delays in dewatering the site and remediation of the soil so that a new foundation could be constructed;

- e. Improperly failing to remove significant amounts of construction waste and rubbish left on the site which had to be hauled away by the contractor hired to complete the Work;
- f. Improperly failing to close sewer lines on the construction site; and
- g. Improper alley cuts.

12. Plaintiffs have performed all obligations and conditions required of them under the Contract prior to Voytek breach of the Contract.

13. The Contract further requires Voytek to indemnify Brighton for claims, damages, losses or expenses, including attorneys' fees, arising out of or resulting from negligent performance of the Work, where such claims, damages, losses or expenses are attributable to injury to or destruction of tangible property. *See Exhibit A at ¶ 8.13.*

14. The Contract was terminated by Brighton on July 21, 2006, pursuant to paragraph 19.2.2 due to Voytek's persistent and repeated failure to supply enough properly skilled workers and proper materials to perform the Work in a good and workmanlike manner, and based upon Voytek's substantial breach of contract by failing to correct deficient work as required in paragraph 17.1 of the Contract.

15. As a result of the numerous deficiencies existing in the Work performed by Voytek under the Contract, all of the Work performed by Voytek required replacement. As a direct result, Plaintiffs had to engage other contractors to repair and/or replace said deficiencies. Thus, as a result of Voytek's breach, Plaintiffs have suffered damages of at least \$215,823.06. Said damages, include, but are not limited to, the following:

a.	Voytek construction draw #1.	\$39,000.00
b.	Voytek construction draw #2.	\$26,000.00
c.	Cash advance to Voytek to cover removal of defective foundation.	\$20,000.00



d.	Case advance to Voytek to cover installation of shoring and new foundation.	\$10,000.00
e.	Additional architect design services in April & May of 2006 to revise the foundation design as a result of Voytek's improper foundation layout/elevation.	\$7,246.06
f.	Site work required due to Voytek's failure to complete Work in compliance with contract documents.	
1.	Removal and replacement of sidewalk/retaining wall for 1952 Wilmot.	\$9,500.00
2.	Removal and replacement of front patio for 1952 Wilmot.	\$5,750.00
3.	Over excavation of site necessary to replace defective foundation.	\$14,500.00
4.	Removal and replacement of garage footings.	\$12,500.00
5.	Site dewatering and spoil removal.	\$5,000.00
6.	Completion of piling at alley.	\$4,500.00
7.	Replacement of temporary fence and screening.	\$4,230.00
8.	Site clean-up.	\$1,250.00
9.	Sewer and water cut off not completed by Voytek	\$5,000.00
10.	Soil compaction testing.	\$4,500.00
11.	Alley restoration and permits for alley cuts on the west elevation.	\$16,500.00
12.	Alley restoration and permits on alley cuts on The south elevation.	\$14,000.00
13.	Landscape restoration at neighbor's property.	\$1,250.00
12.	General contractor's fee	\$14,772.00
	Subtotal for f.:	\$113,252.00
g.	Ticket for damage to alley,	\$325.00
	<b>TOTAL:</b>	<b>\$215,823.06</b>

16. Pursuant to the Contract, Plaintiffs have filed their concurrent request for mediation of this dispute, which mediation request shall stay this action for a period of sixty (60) days from the date of filing of this Complaint. See *Exhibit A* at ¶ 9.10.3.

WHEREFORE, the Plaintiffs, 1954-56 N. Wilmot, LLC, and Brighton Development, LLC, respectfully request that this Honorable Court enter judgment in their favor and against Voytek, in the amount of \$215,823.06, plus costs of suit and attorney fees. Plaintiffs further pray that this Honorable Court award Plaintiffs such other relief the Court deems just and appropriate under the circumstances.

Respectfully submitted,

**1954-56 N. WILMOT, LLC, and  
BRIGHTON DEVELOPMENT, LLC**

By:   
One of their Attorneys

Anthony G. Barone  
David M. Jenkins  
Robert N. Alvine  
Barone & Jenkins, P.C.  
721 Enterprise Drive, Suite 200  
Oak Brook, Illinois 60523  
Tel. No. 630-472-0037  
Atty. No. 34622

08CV3975

JUDGE PALLMEYER

MAGISTRATE JUDGE COLE

YM

# EXHIBIT B

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT - LAW DIVISION

1954-56 N. WILMOT, LLC, and BRIGHTON  
DEVELOPMENT, LLC,

Plaintiff/Counter-Defendant,

v.

VOYTEK CUSTOM BUILT RESIDENCES,  
INC.,

Defendant/Counter-Plaintiff, and  
Third-Party Plaintiff.

v.

SAM LOPEZ Jr., individually, and d/b/a  
LOW BUILDERS, INC, a dissolved Illinois  
corporation.

Third-Party Defendant.

No. 2007 L 002347

FILED  
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COUNTY, ILLINOIS  
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**THIRD-PARTY COMPLAINT AGAINST  
SAM LOPEZ, JR. D/B/A LOW COST BUILDERS, INC.**

Defendant/Counter-Plaintiff/Third-Party Plaintiff Voytek Custom Built Residences, Inc. ("Voytek"), through its undersigned counsel, and for its Third-Party Complaint against Third-Party Defendant Sam Lopez, Jr., individually, and d/b/a Low Cost Builders, Inc. (collectively referred to as "Low Cost Builders"), complains as follows:

**PARTIES**

1. Voytek is an Illinois corporation duly organized and existing under the laws of the State of Illinois, with its principal place of business located in Riverwoods, Illinois.

2. Third-Party Defendant Sam Lopez, Jr. is an Illinois resident and was the sole owner and President of Low Cost Builders, a dissolved Illinois corporation with its principal place of business in Justice, Illinois.

3. Low Cost Builders, Inc. was incorporated on July 19, 2001 and was involuntarily dissolved on December 1, 2003.

4. At all relevant times after Low Cost Builders, Inc. was involuntarily dissolved, Sam Lopez, Jr. continued doing business under the name of Low Cost Builders, Inc.

### FACTS

**A. Low Cost Builders Agrees To Do The Excavation and Foundation Work For 1954-56 North Wilmot, Chicago, Illinois**

5. In or around the fall of 2005, Voytek was contracted to provide general contracting services for the construction of a 4-unit condominium building located at 1954-56 North Wilmot in Chicago, Illinois (hereinafter referred to as "the premises" or "job site").

6. In furtherance of its general contracting agreement, Voytek subcontracted the excavation and foundation work to Sam Lopez and Low Cost Builders.

7. In the Fall of 2005, Sam Lopez, on behalf of Low Cost Builders, entered in to an oral agreement with Voytek for the excavation and foundation work at the premises. Voytek agreed to pay Low Cost Builders \$80,000.00 for its construction services per the oral agreement. As part of its agreement with Voytek, Lopez and Low Cost Builders agreed to perform its construction services in good and workmanlike manner. Implicit in its agreement, Lopez and Low Cost Builders agreed to follow the construction drawings in performance of its work. Further, Low Cost Builders provided Voytek with a certificate of insurance to cover claims for damage caused by its construction work. Attached hereto as **Group Exhibit A** are copies of the  
----- Certificates of Insurance provided by Low Cost Builders to Voytek.

**B. Low Cost Builders Begins Foundation Work On 1954-56 Wilmot.**

8. On January 19, 2006, Voytek paid Low Cost Builders \$20,000.00 for the services to be performed at the premises.

9. On or around January 19, 2006, Low Cost Builders began to excavate the property in preparation for pouring the building's footings and foundation walls.

10. On January 26, 2006, Low Cost Builders poured concrete for the footings for the building to be constructed on the premises.

11. On February 1, 2006, Low Cost Builders poured concrete for the foundation walls for the building to be constructed on the premises.

**C. Foundation Work Is Rejected By The Plaintiff's Architect And Engineer.**

12. Shortly after pouring the footings and foundation walls, CE Anderson & Associates, the Plaintiffs' engineering firm, determined that Low Cost Builders failed to pour the foundation and footings in accordance with the construction drawings.

13. On April 28, 2006, the architect overseeing the construction of the premises rejected the foundation poured by Low Cost Builders on the grounds that the foundation was improperly poured. As such, Voytek was required to remove and replace the improperly poured foundation.

**D. Low Cost Builders Agrees To Re-Pour The Foundation Per The Construction Drawings.**

14. On May 8, 2006, Low Cost Builders submitted a proposal for the remediation work. The new proposal stated that Lopez and Low Cost Builders would do the following:

- (a) "Demo and haul away the existing foundation walls and footing. (Garage not included).
- (b) Re-Excavate according to new, updated drawing.
- (c) Place footing and foundation as per new or revised plans with all details on foundation sheet or section drawings pertaining to foundation plan.
- (d) Backfill foundation after inspected and approved by Greg. (General Contractor)

- (e) All placement of concrete must be inspected and approved by Greg.  
(General Contractor)"

Attached hereto as **Exhibit B** is a copy of the May 8, 2005<sup>1</sup> Proposal.

15. On May 18, 2006, Carole Barbieri, agent for the Plaintiffs, paid Low Cost Builders \$20,000.00 as a down payment for the services Low Cost Builders was to perform on the premises pursuant to the May 8, 2006 proposal.

16. Approximately seven days thereafter, Low Cost Builders began to demolish the previously poured foundation and footings.

**B. Low Cost Builders' Negligent Construction Work Causes Damage To The Neighbor's Property And To The Public Way.**

17. While performing its demolition work, Low Cost Builders failed to adequately shore the retaining walls for the premises. As a result, the Plaintiffs allege that the neighbor's property was damaged. In particular, the Plaintiffs allege that as a result of Low Cost Builders' failure to shore the jobsite, the neighbor's sidewalk began to pull away from the building and created a gap between the foundation and sidewalk. The Plaintiffs further allege that this gap allowed excessive amounts of water to enter the neighbor's foundation and resulted in significant damage.

18. In addition to the alleged damage to the neighbor's property, Low Cost Builders improperly cut the alleys abutting the premises. As a result of this improper alley cut, Voytek was issued a citation on June 26, 2006, by the City of Chicago. The Plaintiffs allege that Low Cost Builders' failure to adequately shore the alley ways caused significant property damage to the public ways.

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<sup>1</sup> Upon information and belief, May 8, 2005 is a typo and should read May 8, 2006.

19. As a direct and proximate result of the defective manner in which Low Cost Builders performed its work with regard to the foundation, shoring and alley cuts, Plaintiffs terminated Voytek's general contracting agreement on July 27, 2006.

**F. Plaintiffs Filed Suit Against Voytek For The Problems Associated With Low Cost Builders' Construction Work.**

20. On March 6, 2007, Plaintiff filed suit against Voytek alleging that it breached its general contracting agreement and sought to recover approximately \$215,823.06 with respect to defective and negligent construction work performed by Low Cost Builders. Specifically, the Plaintiffs allege that Voytek breached its contract in the following manner:

- (a) "improperly pouring and constructing the building's foundation without inclusion of support rebar and dowels as specified by the contracts documents, which necessitated the removal and replacement of the entire foundation;
- (b) improperly pouring and constructing the garage footings without inclusion of support rebar and dowels as specified by the contract documents, which necessitated the removal and replacement of the entire garage footing;
- (c) improperly constructing site retaining walls which resulted in significant erosion and damage to neighboring property and an adjacent alley, which necessitated significant repair and replacement of concrete walkways and patios existing on the neighboring property;
- (d) said improper construction of the site retaining walls also resulted in excessive water entering the foundation, which resulted in further delays in dewatering the site and remediation of the soil so that a new foundation could be constructed;
- (e) improperly failing to remove significant amounts of construction waste and rubbish left on the site, which had to be hauled away by the contractor hired to complete the work;
- (f) improperly failing to close sewer lines on the construction site; and
- (g) improper alley cuts."



**COUNT I: BREACH OF CONTRACT**

21. Voytek restates and re-alleges Paragraphs 1 to 20 as if fully set forth within Paragraph 21 of Count I.

22. Low Cost Builders breached its contract with Voytek because it performed its work in a defective and negligent manner with regards to the foundation, shorings and alley cuts.

23. As a direct and proximate result of Low Cost Builders' breach of contract, Voytek was terminated from its general contracting agreement and is now being sued for \$215,823.06 with respect to defective and negligent construction work performed by Low Cost Builders.

WHEREFORE, Voytek requests that judgment be entered in its favor and against Sam Lopez, Jr, individually and d/b/a Low Cost Builders, Inc. in an amount equal to Voytek's damages, including the costs and attorney fees incurred in defending the Plaintiffs' lawsuit, plus interest, cost and such other relief as this Court deems just and appropriate.

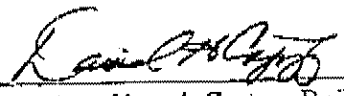
**COUNT II: IMPLIED INDEMNITY**

24. Voytek restates and re-alleges Paragraphs 1 to 20 as if fully set forth within Paragraph 24 of Count II.

25. As a direct and proximate result of Low Cost Builders' negligent construction work, Voytek was terminated from its general contracting agreement and is now being sued for \$215,823.06 with respect to the defective and negligent construction work performed by Low Cost Builders.

WHEREFORE, Voytek requests that judgment be entered in its favor and against Sam Lopez, Jr, individually and d/b/a Low Cost Builders, Inc. in an amount equal to Voytek's damages, including the costs and attorney fees incurred in defending the Plaintiffs' lawsuit plus interest, cost and such other relief as this Court deems just and appropriate.

Respectfully submitted,

By:   
Counsel for Voytek Custom Built Residences, Inc.

Christopher C. Kendall  
David H. Capizzi  
The Law Office of Christopher C. Kendall, P.C.  
77 West Wacker Drive, Suite 4800  
Chicago, Illinois 60601-1664  
312/444-9505  
Fax: 312/444-1028  
Atty. No. 34702

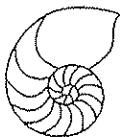
08CV3975

JUDGE PALLMEYER

MAGISTRATE JUDGE COLE

YM

# EXHIBIT C



# NAUTILUS INSURANCE COMPANY

A Stock Company

## COMMERCIAL LINES POLICY

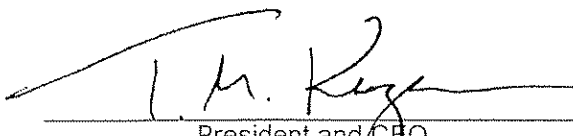
THIS POLICY IS NOT OBTAINED PRIMARILY FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

THIS POLICY CONSISTS OF:

- Declarations;
- Common Policy Conditions; and
- One or more Coverage Parts. A Coverage Part consists of:
  - One or more Coverage Forms; and
  - Applicable Forms and Endorsements.

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

  
Secretary

  
President and CEO

7273 E. Butherus Drive

Scottsdale, Arizona 85260

Telephone (480) 951-0905

Facsimile (480) 951-9730



A BERKLEY COMPANY<sup>SM</sup>

## COMMERCIAL LINES POLICY - COMMON POLICY DECLARATIONS

## NAUTILUS INSURANCE COMPANY

Scottsdale, Arizona

Transaction Type: **Renewal**Policy No. **NC428079**Renewal of Policy # NC329179

Inspection Ordered:

Rewrite of Policy # \_\_\_\_\_

☐ Yes ☒ No

Cross Ref. Policy # \_\_\_\_\_

## Notice to Policyholders

## Named Insured and Mailing Address

(No., Street, Town or City, County, State, Zip Code)

LOW COST BUILDERS

7313 S BANKS

JUSTICE

IL 60458-

This contract is issued, pursuant to Section 445 of the Illinois Insurance Code, by a company not authorized and licensed to transact business in Illinois and as such is not covered by the Illinois Insurance Guaranty Fund.

## Agent and Mailing Address

Agency No. 01211 - 00

(No., Street, Town or City, County, State, Zip Code)

The Jack Nebel Companies  
1242 W. Northwest Highway  
Palatine, IL 60067

## NO FLAT CANCELLATION

Policy Period: From 03/14/2005 to 03/14/2006 at 12:01 A.M. Standard Time at your mailing address shown above.

Business Description: **DRIVEWAY PAVING/EXCAVATING**Tax State IL

Form of Business: ☐ Individual ☐ Partnership ☐ Joint Venture ☐ Trust ☐ Limited Liability Company (LLC)  
☒ Organization, including a Corporation (but not including a Partnership, Joint Venture or LLC)

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY,  
WE AGREE WITH YOU TO PROVIDE THE INSURANCE STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED.  
THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

		PREMIUM
Commercial General Liability Coverage Part		\$ 29,172.00
Commercial Inland Marine Coverage Part		\$ 9,453.00
		\$
		\$
		\$
		\$
Tax & Fee Schedule	TOTAL ADVANCE PREMIUM	\$ 38,625.00
SURPLUS LINES TAX	\$ 1,352.00	Minimum & Deposit
STAMPING FEE	116.00	
FIRE MARSHALL TAX	155.00	TOTAL TAXES & FEES
		\$ 1,623.00
	TOTAL	\$ 40,248.00

Form(s) and Endorsement(s) made a part of this policy at time of issue:

Refer to S902 Schedule of Forms and Endorsements.

THE JACK NEBEL COMPANIES  
526

Countersigned: Palatine, IL  
04/02/2005 CN  
MAO

By \_\_\_\_\_

Countersignature of Authorized Representative, whichever is applicable

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

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## SCHEDULE OF FORMS AND ENDORSEMENTS (Continued)

### MISCELLANEOUS FORMS APPLICABLE:

All Other Forms and Endorsements of this Policy Remain Unchanged.

## NAUTILUS INSURANCE COMPANY

Policy Number: NC428079

Insured: LOW COST BUILDERS

## SCHEDULE OF FORMS AND ENDORSEMENTS

S944J	(01/02)	Nautilus Policy Jacket
IL0017	(11/98)	Common Policy Conditions
IL0021	(07/02)	Nuclear Energy Liab Exclusion
S013	(12/00)	Minimum Earned Premium Endt
S020	(04/03)	Service of Suit
S150	(10/04)	CGL Coverage Part Declarations
CG0001	(10/01)	Comm General Liability Cvg Fo
CG0062	(12/02)	War Liability Exclusion
CG2153	(01/96)	Excl-Designated Ongoing Ops
CG2160	(09/98)	Excl-Y2K Computer-Other Relate
CG2175	(12/02)	Excl of Cert & Other Acts Terr
S001	(07/04)	Amendment of Premium Condition
S004	(01/04)	Exclusion - Assault or Battery
S006	(09/03)	Excl - Classification Limitati
S007	(01/98)	Contractual Liability Limitati
S022	(09/03)	Ded Liab Ins - Incl Cost & Exp
S038	(05/04)	Amendment of Liquor Liab Excl
S040	(04/99)	Exclusion - Cancer
S051	(09/03)	Additional Exclusions & Conds
S058	(03/04)	Contractors Special Conditions
S091	(04/99)	Exclusion - Lead Contamination
S261	(08/03)	Asbestos Exclusion
S262	(08/03)	Silica Exclusion
S450	(12/01)	Bailee/Schd Prop/Contr Equip D
S452	(02/95)	Comm IM Cvg Supplemental Dec
CM0001	(09/00)	Comm Inland Marine Conditions
IL0935	(07/02)	Excl-Certain Comp-Related Loss
IL0961	(11/02)	Excl of Cert & Other Acts Terr
S400	(08/96)	Actual Cash Value Defined
S403	(02/95)	Exclusion - Property Pollution
S453	(05/04)	Causes of Loss - Basic Form
S456	(05/04)	Comm Scheduled Prop Cvg Form

All Other Forms and Endorsements of this Policy Remain Unchanged.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or

- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.



IL 00 21 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

## 2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

**NAUTILUS INSURANCE COMPANY**

POLICY NUMBER: NC428079

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MINIMUM EARNED PREMIUM ENDORSEMENT**

If this insurance is cancelled at your request, there will be a minimum earned premium retained by us of

\$ \_\_\_\_\_ or 25 % of the premium for this insurance, whichever is greater.

If a policy fee, inspection fee or expense constant is applicable to this policy, the fee(s) will be fully earned and no refund of fees will be made.

All other Terms and Conditions of this Policy remain unchanged.

**NAUTILUS INSURANCE COMPANY**

ENDORSEMENT

**SERVICE OF SUIT**

Pursuant to any statute of any state, territory or district of the United States which makes provision therefore, we hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the Statute, or his successor or successors in office, as our true and lawful attorney upon whom may be served any lawful process in any action, "suit" or proceeding instituted by or on behalf of you or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

It is further agreed that service of process in such "suit" may be made upon Michael Kilgas, or his nominee of the Company at 7273 East Butherus Drive, Scottsdale, Arizona 85260 and that in any "suit" instituted against any one of them upon this policy, we will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

It is agreed that in any state requiring a standard form of policy, insurance hereunder on values or properties in such state shall attach and cover in accordance with the terms and conditions of such standard form.

# **NAUTILUS INSURANCE COMPANY** **COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS**

POLICY NUMBER: NC428079

☐ Extension of Declarations is attached.

Effective Date: 03/14/2005 12:01 A.M. Standard Time

**LIMITS OF INSURANCE**☐ If box is checked, refer to form S132 for Limits of Insurance.

General Aggregate Limit (Other Than Products/Completed Operations)	\$	2,000,000	
Products/Completed Operations Aggregate Limit	\$	1,000,000	
Personal and Advertising Injury Limit	\$	1,000,000	Any One Person Or Organization
Each Occurrence Limit	\$	1,000,000	
Damage To Premises Rented To You Limit	\$	100,000	Any One Premises
Medical Expense Limit	\$	5,000	Any One Person

**RETROACTIVE DATE (CG 00 02 ONLY)**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" which occurs before the Retroactive Date, if any, shown here: \_\_\_\_\_ (Enter Date or "NONE" if no Retroactive Date applies)

**BUSINESS DESCRIPTION AND LOCATION OF PREMISES**

BUSINESS DESCRIPTION: DRIVEWAY PAVING/EXCAVATING

LOCATION OF ALL PREMISES YOU OWN, RENT, OR OCCUPY:

☒ Location address is same as mailing address.

1. 7313 S BANKS

JUSTICE

IL 60458-

2.

Additional locations (if any) will be shown on form S170.

LOCATION OF JOB SITE (If Designated Projects are to be Scheduled):

CODE # -	CLASSIFICATION	*	PREMIUM BASIS	RATE		ADVANCE PREMIUM
				PR/CO	All Other	
92215 - Driveway, Parking Area or Sidewalk - paving or repaving	P		175,000	4.710		824
					37.185	6,507
94007 - Excavation	P		70,000	16.174		1,132
					116.770	8,174
91560 - Concrete Construction	P		100,000	15.830		1,583
					109.520	10,952

**\* PREMIUM BASIS SYMBOLS****+ = Products/Completed Operations are subject to the General Aggregate Limit**

a = Area (per 1,000 sq. ft. of area)

o = Total Operating Expenses

s = Gross Sales (per \$1,000 of Gross Sales)

c = Total Cost (per \$1,000 of Total Cost)

(per \$1,000 Total Operating Expenditures)

t = See Classification

m = Admissions (per 1,000 Admissions)

p = Payroll (per \$1,000 of Payroll)

u = Units (per unit)

PREMIUM FOR THIS COVERAGE PART \$ 29,172

**FORMS AND ENDORSEMENTS** (other than applicable Forms and Endorsements shown elsewhere in the policy)

Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:

Refer to S902 Schedule of Forms and Endorsements

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

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**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

**SECTION I – COVERAGES****COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY****1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".



## f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
  - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".



- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

#### g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;

- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

#### h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

#### i. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

#### j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a side-track agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a sub-contractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

**COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance ; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

## 2. Exclusions

This insurance does not apply to:

### a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

### b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

### c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

### d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

### e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

### f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

### g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

### h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

### i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

### j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of websites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

### k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**COVERAGE C MEDICAL PAYMENTS****1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
- provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;

- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while taking part in athletics.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**h. War**

Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.

- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All costs taxed against the insured in the "suit".
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
  - (1) Agrees in writing to:
    - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
    - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - (c) Notify any other insurer whose coverage is available to the indemnitee; and
    - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (2) Provides us with written authorization to:
    - (a) Obtain records and other information related to the "suit"; and
    - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.



**SECTION II – WHO IS AN INSURED****1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**2. Each of the following is also an insured:**

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

**(1) "Bodily injury" or "personal and advertising injury":**

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

**(2) "Property damage" to property:**

(a) Owned, occupied or used by,

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person driving the equipment; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage C;
  - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

#### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

#### 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

### 3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

#### b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.



When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

**6. Representations**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

**7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

**8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

**SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in a. above;
    - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

  - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
  - b. Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;
  - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

  - (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
11. "Loading or unloading" means the handling of property:
- After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - While it is in or on an aircraft, watercraft or "auto"; or
  - While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - Vehicles maintained for use solely on or next to premises you own or rent;
  - Vehicles that travel on crawler treads;
  - Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
    - Power cranes, shovels, loaders, diggers or drills; or
    - Road construction or resurfacing equipment such as graders, scrapers or rollers;
  - Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
    - Cherry pickers and similar devices used to raise or lower workers;
  - Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.  
However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
    - Equipment designed primarily for:
      - Snow removal;
      - Road maintenance, but not construction or resurfacing; or
      - Street cleaning;
    - Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- False arrest, detention or imprisonment;
  - Malicious prosecution;
  - The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - The use of another's advertising idea in your "advertisement"; or
  - Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a) You;
  - (b) Others trading under your name; or
  - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
- (2) The providing of or failure to provide warnings or instructions.



COMMERCIAL GENERAL LIABILITY  
CG 00 62 12 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## WAR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion i. under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:
- 2. Exclusions**
- This insurance does not apply to:
- i. War**
- "Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:
- (1) War, including undeclared or civil war; or
  - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- B. The following exclusion is added to Paragraph 2., **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:
- 2. Exclusions**
- This insurance does not apply to:
- WAR**
- "Personal and advertising injury", however caused, arising, directly or indirectly, out of:
- a. War, including undeclared or civil war; or
  - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- C. Exclusion h. under Paragraph 2., **Exclusions of Section I – Coverage C – Medical Payments** does not apply. Medical payments due to war are now subject to Exclusion g. of Paragraph 2., **Exclusions of Section I – Coverage C – Medical Payments** since "bodily injury" arising out of war is now excluded under Coverage A.

POLICY NUMBER: NC428079

COMMERCIAL GENERAL LIABILITY  
CG 21 53 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION - DESIGNATED ONGOING OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

#### Description of Designated Ongoing Operation(s):

All operations in California, Nevada, or New York; and Residential construction operations in Arizona, Colorado, Oregon, Utah or Washington.

#### Specified Location (If Applicable):

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of the ongoing operations described in the Schedule of this endorsement, regardless of whether such operations are conducted by you or on your behalf or whether the operations are conducted for yourself or for others.

Unless a "location" is specified in the Schedule, this exclusion applies regardless of where such operations are conducted by you or on your behalf. If a specific "location" is designated in the Schedule of this endorsement, this exclusion applies only to the described ongoing operations conducted at that "location".

For the purpose of this endorsement, "location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

COMMERCIAL GENERAL LIABILITY  
CG 21 60 09 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability and Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

#### 2. Exclusions

This insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" (or "personal and advertising injury" if defined as such in your policy) arising directly or indirectly out of:

a. Any actual or alleged failure, malfunction or inadequacy of:

(1) Any of the following, whether belonging to any insured or to others:

- (a) Computer hardware, including microprocessors;
- (b) Computer application software;
- (c) Computer operating systems and related software;

(d) Computer networks;

(e) Microprocessors (computer chips) not part of any computer system; or

(f) Any other computerized or electronic equipment or components; or

(2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph 2.a.(1) of this endorsement

due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph 2.a. of this endorsement.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND OTHER ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM**

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism" or an "other act of terrorism". However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ; or
3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

**B. The following definitions are added:**

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":
  - a. The act resulted in aggregate losses in excess of \$5 million; and

- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- 3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002. Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.
- c. In the event of any incident of a "certified act of terrorism" or an "other act of terrorism" that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.

# NAUTILUS INSURANCE COMPANY

POLICY NUMBER: NC428079

LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## AMENDMENT OF PREMIUM CONDITIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART

The Premium Audit Condition under **SECTION IV - CONDITIONS** is replaced by the following:

### Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

The advance premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

The rates for each classification shown in the Declarations are multiplied by the estimated premium bases of that classification for the term to determine the advance premium. We may conduct an audit of your books to determine the actual premium bases developed during the policy period. The premium bases used are payroll, admissions, gross sales, total cost, area, each exposure unit, units or total operating expenditures and are defined in accordance with our rules and the following additional definitions:

- (1) **Payroll** (premium basis symbol p): Remuneration paid to "employees", including but not limited to:
  - (a) Money or substitutes for money; commissions; bonuses; overtime; payments to statutory insurance or pension plans; profit sharing or incentive plans; pay for holidays, vacation or sickness; and fees paid to employment agencies for temporary personnel provided to you.
  - (b) If your operations consist of a number of separate operations classified individually in the Declarations, the payroll will be allocated to each classification where you have maintained records for each separate operation. Any such operation for which separate records are not maintained by you shall be assigned to the highest rated classification.
  - (c) For premium computation purposes, the payroll of executive officers, individual insureds and co-partners is subject to a minimum annual payroll per person of:

\$

(If no entry is made, the minimum payroll as established by our rating rules will apply.)

The rates apply per \$1,000 of Payroll.

- (2) **Admissions** (premium basis symbol m): The total number of persons, other than your "employees", admitted to the insured event or to events conducted on the premises whether on paid admissions, tickets, complimentary tickets or passes.

The rates apply per 1,000 Admissions.

- (3) **Gross Sales** (premium basis symbol s): The gross amount charged by you, your concessionaires or by others trading under your name for:

- (a) All goods or products, sold or distributed;
- (b) Operations performed during the policy period; and
- (c) Rentals; or
- (d) Dues or fees.

The rates apply per \$1,000 of Gross Sales.

- (4) **Total Cost** (premium basis symbol c): The total cost of all work let or sublet in connection with each specific project including:
- (a) The cost of all labor, materials and equipment furnished, used or delivered for use in the execution of the work; or
  - (b) All fees, bonuses or commissions made, paid or due.
- The rates apply per \$1,000 of Total Cost.
- (5) **Area** (premium basis symbol a): The total number of square feet of floor space at the insured premises.
- The rates apply per 1,000 square feet of Area.
- (6) **Each** (premium basis symbol t): This basis of premium involves units of exposure, and the quantity comprising each unit of exposure is indicated in the Declarations, such as "per person".
- The rates apply per each unit of exposure.
- (7) **Units** (premium basis symbol u): A single room or group of rooms intended for occupancy as separate living quarters by a family, by a group of unrelated persons living together, or by a person living alone.
- The rates apply per Unit.
- (8) **Total Operating Expenditures** (premium basis symbol o): Total expenditures (including grants, entitlements and shared revenue) without regard to source of revenue during the policy period including accounts payable.
- The rates apply per \$1,000 of Total Operating Expenditures.
- b. Premium shown in this Coverage Part as advance premium is a minimum and deposit premium. At the close of each audit period, we will compute the earned premium for that period. If the earned premium is greater than the advance premium paid, an audit premium is due. Audit premiums are due and payable on notice to the first Named Insured. Failure to pay the audit premium(s) due will subject this policy, and/or any in force policy of yours, to cancellation for non-payment of premium.
- If the policy is canceled prior to the expiration date, we will retain the earned premium developed by an audit of your books for the period the policy was in force or the earned premium developed by multiplying the advance premium by the applicable pro-rata or short-rate factor, whichever is greater.
- If the total earned premium for the policy period is less than the advance premium, such advance premium is the minimum premium for the policy period indicated and is not subject to further adjustment.
- c. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request. Failure to supply such records upon request will be deemed a breach of condition and subject this policy, and/or any in force policy of yours, to cancellation for breach of conditions.
- d. We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

All other terms and conditions of this policy remain unchanged.

**NAUTILUS INSURANCE COMPANY**

LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - ASSAULT OR BATTERY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following exclusion is **added** to Paragraph 2. Exclusions of **SECTION I - COVERAGES**:

This insurance does not apply to:

"Bodily injury" or "property damage" expected or intended from the standpoint of any insured; or arising out of an assault or battery, provoked or unprovoked, or out of any act or omission in connection with prevention or suppression of an assault or battery, committed by any insured or agent of the insured.

All other terms and conditions of this policy remain unchanged.

NAUTILUS INSURANCE COMPANY

LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - CLASSIFICATION LIMITATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2. Exclusions of SECTION I - COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY and COVERAGE C - MEDICAL PAYMENTS:

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or medical payments for operations that are not classified or shown in the Commercial General Liability Coverage Part Declarations, its endorsements or supplements.

All other terms and conditions of this policy remain unchanged.

NAUTILUS INSURANCE COMPANY

LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONTRACTUAL LIABILITY LIMITATION**

(Limited Form)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the DEFINITIONS section is **replaced** by the following:

"Insured Contract" means any written:

1. Contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
2. Sidetrack agreement;
3. Easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. Obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. Elevator maintenance agreement; or
6. That part of any other contract or agreement pertaining to your business (including indemnification of a municipality in connection with work performed for a municipality) under which you assume tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An "insured contract" does not include that part of any contract or agreement:

1. That indemnifies any person or organization for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
2. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
3. Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection or engineering services;
4. That indemnifies any person or organization for "property damage" to premises rented or loaned to you;
5. That indemnifies any person or organization for "bodily injury" or "property damage" arising from an "occurrence" caused by the sole negligence of said person or organization; or
6. That indemnifies any person or organization for "bodily injury" or "property damage" arising from the ownership, maintenance or use of any aircraft.

All other Terms and Conditions of this Insurance remain unchanged.



# NAUTILUS INSURANCE COMPANY

POLICY NUMBER: NC428079

LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## DEDUCTIBLE LIABILITY INSURANCE

(Including Costs and Expenses)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Coverage	SCHEDULE	Amount of Deductible
Bodily Injury Liability (including Costs and Expenses)		\$ 2,500 per claim
Property Damage Liability (including Costs and Expenses)		\$ 2,500 per claim

- Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on the insured's behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages. The limits of insurance applicable to each "occurrence" for such coverages will be reduced by the amount of such deductible. Aggregate limits for such coverages shall not be reduced by the application of such deductible.
- The deductible amounts stated are on a **PER CLAIM BASIS**. The deductible amount applies:
  - Under the Bodily Injury Liability, to all damages because of "bodily injury" sustained by any one person; or
  - Under the Property Damage Liability, to all damages because of "property damage" sustained by any one person or organization;
 as a result of any one "occurrence".
- The deductible amounts stated in the Schedule above applies toward investigation, adjustment and legal expenses incurred in the handling and investigation of each claim, whether or not payment is made to the claimant, compromise settlement is reached or the claim is denied.
- The terms of this insurance, including those with respect to:
  - Our right and duty to defend "suits" seeking those damages; and
  - Your duties in the event of an "occurrence", claim or "suit",
 apply regardless of the application of the deductible.
- We may, at our sole election and option, either:
  - Pay any part or all of the deductible amount to effect settlement of any claim or "suit" and upon notification of the action taken, you will promptly reimburse us for such part of the deductible amount as has been paid by us; or
  - Upon our receipt of notice of any claim or at any time thereafter, request you to pay and deposit with us all or any part of the deductible amount, to be held and applied according to the terms of this policy.

All other terms and conditions of this policy remain unchanged.



**NAUTILUS INSURANCE COMPANY**

**LIABILITY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF LIQUOR LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Exclusion c., Liquor Liability, in Paragraph 2., Exclusions of Section I - Coverages - Bodily Injury and Property Damage Liability is replaced by the following:

This insurance does not apply to:

**c. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you:

- (1) Manufacture, sell or distribute alcoholic beverages;
- (2) Serve or furnish alcoholic beverages for a charge where the activity:
  - (a) Requires a license; and/or
  - (b) Is for the purpose of financial gain or livelihood;
- (3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity; or
- (4) Are an owner or lessor of premises used for such purposes.

All other terms and conditions of this policy remain unchanged.

NAUTILUS INSURANCE COMPANY

LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - CANCER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is **added** to Paragraph 2., Exclusions of Coverage (Section I - Coverages):

This insurance does not apply to "bodily injury", "personal and advertising injury" or medical payments arising out of or caused by any ultra-violet light, rays or any other carcinogenic agent producing or inciting malignant growths or any other cancerous disorder.

All other Terms and Conditions of this Insurance remain unchanged.

**NAUTILUS INSURANCE COMPANY**

**LIABILITY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL EXCLUSIONS AND CONDITIONS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**TOTAL POLLUTION EXCLUSION ENDORSEMENT**

Exclusion f. under Paragraph 2., **Exclusions of Section I - Coverage A - Bodily Injury and Property Damage Liability** is replaced by the following:

This insurance does not apply to:

**f. Pollution**

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

CG 21 49 09 99

**EXCLUSION - PUNITIVE OR EXEMPLARY DAMAGES**

The following is added to EXCLUSIONS:

This insurance does not apply to a claim of or indemnification for punitive or exemplary damages. If a "suit" shall have been brought against you for a claim within the coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, then we will afford a defense for such action. We shall not have an obligation to pay for any costs, interest or damages attributable to punitive or exemplary damages.

S017 (01/98)

**LIMITATION - OTHER INSURANCE**

That portion of sub-paragraph 4b. **Excess Insurance** (4.b.(1)(d) in CG0001 or 4.b.(1)(e) in CG0002) under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** that provides Excess Insurance if the loss arises out of the maintenance or use of aircraft, "autos" or watercraft is **deleted**.

S073 (08/03)

**NOTICE TO POLICYHOLDERS**

This insurance does not provide coverage as required by Environmental Protection Agency (EPA) 40 CFR Parts 280 and 281 for underground storage tanks nor any coverage under CERCLA or similar State or Federal Environmental Act(s).

This policy Excludes all Coverage for Pollution.

S005 (02/95)

**EMPLOYMENT-RELATED PRACTICES EXCLUSION****A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

CG 21 47 07 98

**AMENDATORY ENDORSEMENT - EMPLOYEE EXCLUSION**

Exclusion e. Employer's Liability of Paragraph 2. Exclusions under **SECTION I - COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is replaced by the following:

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

As respects this endorsement only, the definition of "Employee" in DEFINITIONS is replaced by the following:

"Employee" shall include, but is not limited to, any person or persons hired by, loaned to, leased to, contracted for, or volunteering services to the insured, whether or not paid by the insured.

S127 (08/03)

**EXCLUSION - MICROORGANISMS, BIOLOGICAL ORGANISMS, BIOAEROSOLS OR ORGANIC CONTAMINANTS**

The following exclusion is added to EXCLUSIONS:

This insurance does not apply to:

1. Liability, injury or damage of any kind, including but not limited to "bodily injury", "property damage", or "personal and advertising injury" arising out of, related to, caused by or in any way connected with the exposure to, presence of, formation of, existence of or actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any microorganisms, biological organisms, bioaerosols or organic contaminants, including but not limited to mold, mildew, fungus, spores, yeast or other toxins, mycotoxins, allergens, infectious agents, wet or dry rot or rust, or any materials containing them at any time, regardless of the cause of growth, proliferation or secretion.
2. Any loss, cost or expense arising out of any:
  - a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of microorganisms, biological organisms, bioaerosols or organic contaminants, including but not limited to mold, mildew, fungus, spores, yeast, or other toxins, mycotoxins, allergens, infectious agents, wet or dry rot or rust, or any materials containing them at any time, regardless of the cause of growth, proliferation or secretion; or
  - b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of microorganisms, biological organisms, bioaerosols or organic contaminants, including but not limited to mold, mildew, fungus, spores, yeast, or other toxins, mycotoxins, allergens, infectious agents, wet or dry rot or rust, or any materials containing them at any time, regardless of the cause of growth, proliferation or secretion.

We shall have no duty to investigate, defend or indemnify any insured against any loss, claim, "suit" or other proceeding alleging injury or damage of any kind, including but not limited to "bodily injury", "property damage", or "personal and advertising injury" to which this endorsement applies.

S233 (08/01)

All other terms and conditions of this policy remain unchanged.

**NAUTILUS INSURANCE COMPANY**

LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONTRACTORS SPECIAL CONDITIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**CONTRACTORS SUBCONTRACTED WORK - CONDITIONS**

The 'Contractors - Subcontracted Work' classification(s) shown in the Declarations applies to that portion of the operations performed for you by your "adequately insured" contractors or subcontractors.

Coverage only applies to liability arising out of work performed for you by your "adequately insured" contractors or subcontractors and only if the contractors or subcontractors:

- (1) Provide hold harmless agreements indemnifying against all losses for the work performed by or on behalf of the contractors or subcontractors; and
- (2) Name you as an Additional Insured on all contractors or subcontractors Commercial General Liability policies.

You will obtain and maintain Certificates of Insurance from all contractors or subcontractors you hire providing evidence of insurance, including Commercial General Liability, Workers' Compensation and Employer's Liability.

The following exclusion is **added** to Paragraph 2. Exclusions of **SECTION I - COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY** and **COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY**:

We will not extend any defense and/or coverage under this policy for work performed by those contractors or subcontractors you hire who are not "adequately insured".

The following definition is **added** to the **DEFINITIONS** Section:

"Adequately insured" means that the contractors or subcontractors that perform operations for you maintain Commercial General Liability insurance in force with limits of insurance for their operations that are equal to or greater than the limits of insurance shown in the Declarations of this policy, including operations performed for them by others.

S255 (01/04)

**EXCLUSION - PROFESSIONAL SERVICES - CONTRACTORS, ENGINEERS, ARCHITECTS, SURVEYORS AND CONSTRUCTION MANAGEMENT**

The following exclusion is **added** to Paragraph 2. Exclusions under **SECTION I - COVERAGES**:

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or medical payments arising out of the rendering of or failure to render any professional services by you or on your behalf. Professional services include:

- (1) An error, omission, defect or deficiency in any test performed, or an evaluation, a consultation or advice given by or on behalf of any insured; and/or
- (2) The reporting of or reliance upon any such test, evaluation, consultation or advice; and/or
- (3) The preparing, approving, or failure to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; and/or
- (4) Supervisory, inspection, quality control, architectural or engineering activities.

S062 (08/03)

## EXCLUSION - SUBSIDENCE OF LAND

The following exclusion is added to Paragraph 2. Exclusions under SECTION I - COVERAGES:

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or medical payments caused by, resulting from, contributed to or aggravated by the "subsidence" of land.

The following definition is added to the DEFINITIONS Section:

**"Subsidence"** means earth movement, including but not limited to landslide, mud flow, earth sinking, rising or shifting.

S075 (08/03)

## DEMOLITION AND BUILDING WRECKING CONDITIONAL EXCLUSION

The following exclusion is added to Paragraph 2. Exclusions under SECTION I - COVERAGES, BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

This insurance does not apply to "bodily injury" or "property damage" for demolition or wrecking of buildings or structures conducted by you unless coverage was purchased for **"Wrecking - buildings or structures"** and designated on the Declarations:

The following additional exclusions apply to demolition or wrecking operations:

- (1) This insurance does not apply to "bodily injury" or "property damage" arising out of:
  - (a) The use of cranes, ball and chain, or similar apparatus; or
  - (b) The demolition or wrecking of any building or structure that has an original height in excess of three stories;
- (2) This insurance does not apply to "property damage":
  - (a) Of any abutting wall, adjoining wall, common or party wall; or
  - (b) Included within the "explosion hazard," the "collapse hazard" or the "underground property damage hazard" unless coverage is purchased and entered as a covered hazard on the Declarations.

The following definitions are added to the DEFINITIONS Section:

**"Explosion hazard"** includes "property damage" arising out of blasting or explosion. The "explosion hazard" does not include "property damage" arising out of the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment.

**"Collapse hazard"** means to break down suddenly or give way; and includes "structural property damage" and any resulting "property damage" to any other property at any time.

**"Structural property damage"** means the collapse of or structural injury to any building or structure due to:

- (1) Grading of land, excavating, burrowing, filling, back-filling, tunneling, pile driving, cofferdam work or caisson work; or
- (2) Moving, shoring, underpinning, raising or demolition of any building or structure or removal or rebuilding of any structural support of that building or structure.

**"Underground property damage hazard"** includes "underground property damage" and any resulting "property damage" to any other property at any time.

**"Underground property damage"** means property damage to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus used with them beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, burrowing, filling, back-filling or pile driving.

S008 (08/03)



### **EXCLUSION - OVERSPRAY OR SPILLAGE**

The following exclusion is added to Paragraph 2. Exclusions under SECTION I - COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

This insurance does not apply to "property damage" caused by spraying, spillage, leakage or any form of application of hot tar, paint, foam or other liquefied substances.

S029 (08/03)

### **EXCLUSION - ROOFING OPERATIONS - WEATHER-RELATED PROPERTY DAMAGE**

The following exclusion is added to Paragraph 2. Exclusions under SECTION I - COVERAGES, BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

This insurance does not apply to "property damage" to any building or structure or its contents arising out of roofing operations conducted by you or on your behalf resulting from the influx of rain, snow, sleet, hail, ice, wind or any other weather-related condition.

However, this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

S047 (03/04)

All other terms and conditions of this policy remain unchanged.



NAUTILUS INSURANCE COMPANY

LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - LEAD CONTAMINATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following exclusion is **added** to EXCLUSIONS:

This insurance does not apply to:

"Bodily injury", "property damage", "personal and advertising injury" or medical payments arising out of the ingestion, inhalation or absorption of lead in any form;

Any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead; or

Any loss, cost or expense arising out of any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead.

All other Terms and Conditions of this policy remain unchanged.

**NAUTILUS INSURANCE COMPANY**

**LIABILITY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ASBESTOS EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

- A. The following is added to Paragraph 2., Exclusions of both **Section I - Coverage A - Bodily Injury And Property Damage Liability**, and **Section I - Coverage B - Personal And Advertising Injury Liability**:

This insurance does not apply to:

**Asbestos**

1. "Bodily injury", "property damage", "personal and advertising injury" or "reduction in value" related to the actual, alleged, or threatened presence of, or exposure to "asbestos" in any form, or to harmful substances emanating from "asbestos". This includes ingestion, inhalation, absorption, contact with, existence or presence of, or exposure to "asbestos". Such injury from or exposure to "asbestos" also includes, but is not limited to:
  - a. The existence, installation, storage, handling or transportation of "asbestos";
  - b. The removal, abatement or containment of "asbestos" from any structures, materials, goods, products, or manufacturing process;
  - c. The disposal of "asbestos";
  - d. Any structures, manufacturing processes, or products containing "asbestos";
  - e. Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage; or
  - f. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above.
2. Any loss, cost or expense, including, but not limited to payment for investigation or defense, fines, penalties and other costs or expenses, arising out of any:
  - a. Claim, "suit", demand, judgment, obligation, order, request, settlement, or statutory or regulatory requirement that any insured or any other person or entity test for, monitor, clean up, remove, contain, mitigate, treat, neutralize, remediate, or dispose of, or in any way respond to, or assess the actual or alleged effects of "asbestos"; or
  - b. Claim, "suit", demand, judgment, obligation, request, or settlement due to any actual, alleged, or threatened injury or damage from "asbestos" or testing for, monitoring, cleaning up, removing, containing, mitigating, treating, neutralizing, remediating, or disposing of, or in any way responding to or assessing the actual or alleged effects of, "asbestos" by any insured or by any other person or entity; or
  - c. Claim, "suit", demand, judgment, obligation, or request to investigate which would not have occurred, in whole or in part, but for the actual or alleged presence of or exposure to "asbestos".

This exclusion applies regardless of who manufactured, produced, installed, used, owned, sold, distributed, handled, stored or controlled the "asbestos".

- B. The following exclusion is added to Paragraph 2., Exclusions, of **Coverage C Medical Payments**:

We will not pay expenses for "bodily injury":

**Asbestos**

Due to the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of or presence of, "asbestos" in any form.

C. The following definitions are added to the **Definitions** Section:

"Asbestos" means any type or form of asbestos, asbestos fibers, asbestos products, or asbestos materials, including any products, goods, or materials containing asbestos or asbestos fibers, products or materials and any gases, vapors, scents or by-products produced or released by asbestos.

"Reduction in value" means any claim, demand or "suit" that alleges diminution, impairment or devaluation of property.

**NAUTILUS INSURANCE COMPANY**

**LIABILITY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SILICA EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY FORM  
PRODUCTS/COMPLETED OPERATIONS COVERAGE FORM

- A. The following is added to Paragraph 2., Exclusions of both **Section I - Coverage A - Bodily Injury And Property Damage Liability**, and **Section I - Coverage B - Personal And Advertising Injury Liability**:

This insurance does not apply to:

**Silica**

1. "Bodily injury", "property damage", or "personal and advertising injury" related to the actual, alleged, or threatened presence of or exposure to "silica" in any form, or to harmful substances emanating from "silica". This includes the use of, consumption of, ingestion of, inhalation of, absorption of, contact with, existence of, presence of, proliferation of, discharge of, dispersal of, seepage of, migration of, release of, escape of, or exposure to "silica". Such injury from or exposure to "silica" also includes, but is not limited to:
  - a. The existence, storage, handling or transportation of "silica";
  - b. The removal, abatement or containment of "silica" from any structures, materials, goods, products, or manufacturing process;
  - c. The disposal of "silica";
  - d. Any structures, manufacturing processes, or products containing "silica";
  - e. Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage;
  - f. Any product manufactured, sold, handled or distributed by or on behalf of the insured which contains "silica"; or
  - g. Any supervision, instructions, recommendations, warranties (express or implied), warnings or advice given or which should have been given.
2. Any loss, cost or expense including, but not limited to, payment for investigation or defense, fines, penalties, interest and other costs or expenses, arising out of any:
  - a. Claim, "suit", demand, judgment, obligation, order, request, settlement, or statutory or regulatory requirement that any insured or any other person or entity test for, monitor, clean up, remove, contain, mitigate, treat, neutralize, remediate, or dispose of, or in any way respond to, or assess the actual or alleged effects of "silica"; or
  - b. Claim, "suit", demand, judgment, obligation, request, or settlement due to any actual, alleged, or threatened injury or damage from "silica" or testing for, monitoring, cleaning up, removing, containing, mitigating, treating, neutralizing, remediating, or disposing of, or in any way responding to or assessing the actual or alleged effects of, "silica" by any insured or by any other person or entity; or
  - c. Claim, "suit", demand, judgment, obligation, or request to investigate which would not have occurred, in whole or in part, but for the actual or alleged presence of or exposure to "silica".

This exclusion applies regardless of who produced, installed, used, owned, sold, distributed, handled, stored or controlled the "silica".

- B. The following exclusion is added to Paragraph 2., Exclusions, of **Coverage C Medical Payments**:

We will not pay expenses for "bodily injury":

**Silica**

Due to the actual, alleged or threatened consumption of, inhalation of, ingestion of, absorption of, contact with, exposure to, existence of or presence of, "silica" in any form.

C. The following definition is added to the **DEFINITIONS** Section:

"Silica" means the mineral, silicon dioxide, and any type or form of it including, but not limited to, silica-containing products, goods, fibers or materials, silica dust, fine particulate dust of siliceous or silicic minerals, and any gases, vapors, scents or by-products produced or released by silica, silica dust or silica-containing products, goods, fibers or materials. Siliceous or silicic minerals include, but are not limited to, sand, quartz, slate, granite and flint.

**NAUTILUS INSURANCE COMPANY**  
**COMMERCIAL INLAND MARINE COVERAGE PART DECLARATIONS**  
 BAILEE/SCHEDULED PROPERTY/CONTRACTORS EQUIPMENT/WAREHOUSEMEN'S BAILEE

POLICY NUMBER: NC428079

Effective Date: 03/14/2005

12:01 A.M., Standard Time

☐ Supplemental Declarations is attached (X).

- ☐ BAILEE COVERAGE - S455  
☒ SCHEDULED PROPERTY COVERAGE - S456  
☐ CONTRACTORS EQUIPMENT COVERAGE - S457  
☐ WAREHOUSEMEN'S BAILEE LEGAL LIABILITY COVERAGE - S472

(Check ONLY one of the above)

Premium = \$ 9,453

**BAILEE COVERAGE / WAREHOUSEMEN'S BAILEE LEGAL LIABILITY COVERAGE**

For each location or situation described below, the Limit of Insurance shown is the most that we will pay for a loss.

For covered property on the described premises at:

Rate Limit of Insurance

1.	\$
2.	\$
3.	\$
4.	\$
5.	\$

**COMMERCIAL SCHEDULED PROPERTY/CONTRACTORS' EQUIPMENT COVERAGE**

For covered property, each item must be described below or on a schedule that is part of this policy. A Limit of Insurance must be shown for each item. This is the most we will pay for a loss to that item.

Described Item	Manufacturer	Serial Number	Rate	Limit of Insurance
1. CRAWLER EXCAVATOR	KAMATSU	K32298	2.60	\$ 135,666
2. MINI EXCAVATOR	BOBCAT	2333311204	2.60	\$ 60,000
3. SKIDSTEER	BOBCAT	521912678	2.60	\$ 54,871
4. SKIDSTEER	BOBCAT	519311142	2.60	\$ 34,103
5. AIR COMPRESSOR/JACKHAMMER	AIRMAN	536A12170	2.60	\$ 11,314
6. ATTACHMENTS/GRAPPLEBUCKET	BOBCAT		2.90	\$ 3,000
7. ATTACHMENTS/FORK	BOBACT	AK2238	2.90	\$ 745
8. ATTACHMENTS/RAMMER HAMMER	BOBCAT	AJ1836	2.90	\$ 9,000
9. CONCRETE FORMS 6'	SIMPLEX		2.90	\$ 22,000
10. CONCRETE FORMS 4'	SIMPLEX		2.90	\$ 18,000

COVERED CAUSE OF LOSS: ☒ Basic Form ☐ Special Form

DEDUCTIBLE: (Check Appropriate Coverage Form Option)

- ☐ Per Item \$ (Applies To S457)  
☒ Per Loss \$ 2,500 (Applies To S455, S456, S472)

PREMIUM: \$ 9,453

**FORMS AND ENDORSEMENTS** (other than applicable Forms and Endorsements shown elsewhere in the policy)

Forms and Endorsements applying to this Coverage Part and made part of this policy:

Refer to S902 (12/98) Schedule of Forms and Endorsements.

NAUTILUS INSURANCE COMPANY

COMMERCIAL INLAND MARINE COVERAGE PART  
SUPPLEMENTAL DECLARATIONS

POLICY NUMBER: NC428079

Effective Date: 03/14/2005 12:01 A.M., Standard Time

IT IS FURTHER AGREED THAT UNSCHEDULED EQUIPMENT IS AS FOLLOWS:

ITEM 1. MISCELLANEOUS EQUIPMENT LIMIT \$5,000

RATE: FLAT  
PREMIUM: \$250

COMMERCIAL INLAND MARINE  
CM 00 01 09 00

## COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

### LOSS CONDITIONS

#### A. Abandonment

There can be no abandonment of any property to us.

#### B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

#### D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

#### E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.



5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

#### F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

#### G. Pair, Sets Or Parts

##### 1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

##### 2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

#### H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

#### J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance; or
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you.

This will not restrict your insurance.

#### GENERAL CONDITIONS

##### A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

##### B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

##### C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

**D. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**E. Policy Period**

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

**F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or

3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

IL 09 35 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
STANDARD PROPERTY POLICY

- A. We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
1. The failure, malfunction or inadequacy of:
    - a. Any of the following, whether belonging to any insured or to others:
      - (1) Computer hardware, including micro-processors;
      - (2) Computer application software;
      - (3) Computer operating systems and related software;
      - (4) Computer networks;
      - (5) Microprocessors (computer chips) not part of any computer system; or
      - (6) Any other computerized or electronic equipment or components; or
    - b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A.1.a. of this endorsement;
- due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph A.1. of this endorsement.
- B. If an excluded Cause of Loss as described in Paragraph A. of this endorsement results:
1. In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
  2. Under the Commercial Property Coverage Part:
    - a. In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
    - b. In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;
- we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C. We will not pay for repair, replacement or modification of any items in Paragraphs A.1.a. and A.1.b. of this endorsement to correct any deficiencies or change any features.

IL 09 61 11 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION OF CERTIFIED ACTS AND OTHER ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
 COMMERCIAL CRIME COVERAGE FORM  
 COMMERCIAL CRIME POLICY  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 EMPLOYEE THEFT AND FORGERY POLICY  
 FARM COVERAGE PART  
 GOVERNMENT CRIME COVERAGE FORM  
 GOVERNMENT CRIME POLICY  
 KIDNAP/RANSOM AND EXTORTION COVERAGE FORM  
 KIDNAP/RANSOM AND EXTORTION POLICY  
 STANDARD PROPERTY POLICY

A. The following definitions are added with respect to the provisions of this endorsement:

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:
  - a. The act resulted in aggregate losses in excess of \$5 million; and
  - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
2. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002.

B. The following exclusion is added:

### EXCLUSION OF CERTIFIED ACTS AND OTHER ACTS OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism" or an "other act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
2. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials; or

3. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "other acts of terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident.

With respect to this Item B.3., the immediately preceding paragraph describes the threshold used to measure the magnitude of an "other act of terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an "other act of terrorism", there is no coverage under this Coverage Part or Policy.

#### **C. Application Of Other Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

NAUTILUS INSURANCE COMPANY

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ACTUAL CASH VALUE DEFINED**

This endorsement modifies coverage provided under the following:

BUSINESSOWNERS POLICY  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
COMMERCIAL INLAND MARINE COVERAGE FORM

We are **adding** the following definition to LOSS CONDITION - Valuation:

**"Actual cash value"** shall be: the cost to repair or replace covered property at the time of loss, less the value of physical depreciation to the damaged property.

All other Terms and Conditions of this Policy remain unchanged.

NAUTILUS INSURANCE COMPANY

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - PROPERTY POLLUTION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
COMMERCIAL INLAND MARINE COVERAGE FORM

The following is **added** to the EXCLUSIONS section and is therefore not a Covered Cause of Loss:

**PROPERTY POLLUTION**

We will not pay for loss, damage or expense caused directly or indirectly by the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants." Nor will we cover any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (2) Claim or suit by or on behalf of a government authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants."

Such loss, damage or expense is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

The item Pollutant Clean Up and Removal under Additional Coverages is deleted.

All other Terms and Conditions of this Policy remain unchanged.



NAUTILUS INSURANCE COMPANY

COMMERCIAL INLAND MARINE

CAUSES OF LOSS - BASIC FORM

A. COVERED CAUSES OF LOSS

When Basic is shown in the Declarations, Covered Causes of Loss means the following:

1. **Fire.**
2. **Lightning.**
3. **Explosion**, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This Cause of Loss does not include loss or damage by:
  - a. Rupture, bursting or operation of pressure relief devices; or
  - b. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.
4. **Windstorm and Hail**, but not including:
  - a. Frost or cold weather;
  - b. Ice (other than hail), snow or sleet, whether driven by wind or not; or
  - c. Loss or damage to Covered Property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which rain, snow, sand or dust enters.
5. **Smoke** causing sudden and accidental loss or damage. This Cause of Loss does not include smoke from agricultural smudging or industrial operations.
6. **Aircraft or Vehicles**, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the Covered Property or with the building or structure containing the Covered Property. This Cause of Loss includes loss or damage by objects falling from aircraft.

We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business.
7. **Riot or Civil Commotion**, including:
  - a. Acts of striking employees; and
  - b. Looting occurring at the time and place of a riot or civil commotion, except as excluded.
8. **Vandalism**, meaning willful and malicious damage to, or destruction of the Covered Property.
9. **Sprinkler leakage**, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.
10. **Collision, derailment, upset or overturn** of a transporting land vehicle, including collapse of a bridge or culvert.
11. **Theft**, except as excluded.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
  - a. **Earth Movement**
    - (1) Any earth movement such as earthquake, landslide, volcanic action, mine subsidence or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.
    - (2) Volcanic eruption, explosion or effusion. But if loss or damage by fire or volcanic action results, we will pay for that resulting loss or damage.

**b. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**c. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

**d. War and Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**e. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up from a sewer or drain; or
- (4) Water under the ground surface pressing on, or flowing through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if loss or damage by fire, explosion or sprinkler leakage results, we will pay for that resulting loss or damage.

**f. Microorganisms, Biological Organisms, Bioaerosols, or Organic Contaminants**

Any microorganisms, biological organisms, bioaerosols or organic contaminants, including but not limited to mold, mildew, fungus, spores, yeast or other toxins, mycotoxins, allergens, infectious agents, wet or dry rot or rust, or any materials containing them at any time, regardless of the cause of growth, proliferation or secretion.

**2. We will not pay for loss or damage caused by or resulting from:**

- a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- b. Rupture or bursting of water pipes (other than Automatic Sprinkler Systems) unless caused by a Covered Cause of Loss;
- c. Leakage or discharge of water or steam resulting from breaking or cracking of any part of a system or appliance containing water or steam (other than an Automatic Sprinkler System), unless the system or appliance is damaged by a Covered Cause of Loss;
- d. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control, but if loss or damage by fire or combustion explosion results, we will pay for that resulting loss or damage;
- e. Mechanical breakdown, including rupture or bursting caused by centrifugal force, but if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage;
- f. Delay, loss of use, loss of market or business interruption;
- g. Wear and tear;
- h. Rust, corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- i. Obsolescence or depreciation; or
- j. Insects, birds, rodents or other animals;

There are other perils that are not covered. These are listed in the Coverage Form.

**3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.**

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded above to produce the loss or damage.

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
  - (1) Planning, zoning, development, surveying, siting;
  - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - (3) Materials used in repair, construction, renovation or remodeling; or
  - (4) Maintenance;  
of part or all of any property wherever located.
- c. The collapse of a building or structure.

## NAUTILUS INSURANCE COMPANY

COMMERCIAL INLAND MARINE

**COMMERCIAL SCHEDULED PROPERTY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

**A. COVERAGE**

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. **COVERED PROPERTY**, as used in this Coverage Form, means the Property at your risk specified in the Declarations.

2. **PROPERTY NOT COVERED**

Covered Property does not include:

- a. Property that is not in sound condition when this coverage is effective.
- b. Property that you rent to others.
- c. Property that is waterborne. We do cover property that is in transit on a regular ferry, lighter or carfloat when loss or damage is caused by fire.
- d. Accounts, bills deeds, or an evidence of debt.
- e. Money, this means currency, coins, bank notes, money orders, traveler's checks, bullion and similar items.
- f. Securities, meaning any negotiable or nonnegotiable agreements in writing that have value. They include revenue stamps, other stamps in current use, tokens and tickets.
- g. Jewelry, watches, and other items that consist wholly or in part of silver, gold, platinum or precious or semi-precious stones.
- h. Fine arts.
- i. Animals.
- j. Furs, or garments trimmed with or made primarily of fur.

3. **COVERED CAUSES OF LOSS**

See applicable Causes of Loss Form as shown in the Declarations.

**B. EXCLUSIONS**

We will not pay for loss or damage caused by or resulting from any of the following:

1. Dishonest or criminal acts by you, anyone else with an interest in the property, your or their employees or authorized representatives or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.
2. Unexplained disappearance.
3. Shortage found upon taking inventory.
4. A process to repair, adjust, service or maintain the Covered Property. If a fire or explosion results, we do cover the loss or damage caused by the fire or explosion.
5. Dampness or dryness of atmosphere.
6. Changes in or extremes in temperature.
7. Breakage; marring or scratching; leakage, evaporation or shrinkage; mold or rot; property becoming spoiled, soured, scented, discolored or changed in flavor; contact with oil, or the contact of one commodity with another. But we will cover loss or damage if the Cause of Loss is by fire; lightning; windstorm; smoke, explosion; aircraft, spacecraft, self-propelled missiles and objects falling from these items; vehicles; collision, derailment, upset or overturn; collapse of a bridge or culvert; vandalism; theft or attempted theft.
8. Theft from any unattended vehicle unless at the time of theft all windows, doors and compartments were closed and locked and there are visible signs that the theft was a result of forced entry.

There are other perils that are not covered. These are listed in the Causes of Loss form.

**C. LIMITS OF INSURANCE**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

**D. DEDUCTIBLE**

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

**E. ADDITIONAL CONDITIONS**

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

**1. COVERAGE TERRITORY**

We will cover property wherever located within:

- a. The United States of America (including its territories and possessions);
- b. Puerto Rico; and
- c. Canada.

**2. COINSURANCE**

All Covered Property must be insured for its total actual cash value as of the time of loss or damage or you will incur a penalty.

The penalty is that we will pay only the proportion of any loss or damage that the Limit of Insurance shown in the Declarations for Covered Property bears to its actual cash value as of the time of loss or damage.

**3. ADDITIONAL ACQUIRED PROPERTY**

If during the policy period you acquire additional property of a type already covered by this form, we will cover such property for up to 30 days. The most we will pay for loss or damage is the lesser of:

- a. 25% of the total Limit of Insurance shown in the Declarations for that type of property; or
- b. \$10,000.

You will report such property within 30 days from the date acquired and will pay any additional premium due. If you do not report such property, coverage will cease automatically 30 days after the date the property is acquired.

**4. RECORDS AND INVENTORY**

You will keep accurate records of your business and retain them for three years after the policy ends. These records will include an itemized inventory of Covered Property.

**5. PROTECTIVE SAFEGUARDS**

You must maintain the protective safeguards stated by you to be in effect at a location when this coverage began.

If you fail to keep the protective safeguards:

- a. In working condition at a location; and
- b. In operation when you are closed for business;

coverage for which the protective safeguards apply is automatically suspended at that location. This suspension will last until equipment or services are back in operation.

POLICY NUMBER: NC428079

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

CG 20 12 07 98

**ADDITIONAL INSURED -  
STATE OR POLITICAL SUBDIVISIONS - PERMITS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**State or Political Subdivision:**

CITY OF CHICAGO  
121 N. LASALLE; ROOM 905  
CHICAGO, IL 60602

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**Section II - Who Is An Insured** is amended to include as an insured any state or political subdivision shown in the Schedule, subject to the following provisions:

1. This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

2. This insurance does not apply to:

- a. "Bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- b. "Bodily injury" or "property damage" included within the "products-completed operations hazard."

**NAUTILUS INSURANCE COMPANY**

**POLICY NUMBER: NC428079**

**LIABILITY ENDORSEMENT**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED ENDORSEMENT**

This endorsement modifies coverage provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SECTION II - WHO IS AN INSURED** is amended to include as an insured the person or organization shown in the Schedule below, but only for liability arising out of your negligence and only for occurrences or coverage not otherwise excluded in the policy to which this endorsement applies.

**SCHEDULE**

Name of Person or Organization:

A Z CASTLE CONSTRUCTION, CO.  
6745 N. CLARK  
CHICAGO, IL

All other terms and conditions of this policy remain unchanged.



**NAUTILUS INSURANCE COMPANY**

**POLICY NUMBER: NC428079**

**LIABILITY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED ENDORSEMENT**

This endorsement modifies coverage provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SECTION II - WHO IS AN INSURED** is amended to include as an insured the person or organization shown in the Schedule below, but only for liability arising out of your negligence and only for occurrences or coverage not otherwise excluded in the policy to which this endorsement applies.

**SCHEDULE**

Name of Person or Organization:

BRIAN AND MARY K. MACK  
1739 W. PIERCE  
CHICAGO, IL 60622

All other terms and conditions of this policy remain unchanged.

POLICY NUMBER: NC428079

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

CG 20 12 07 98

**ADDITIONAL INSURED -  
STATE OR POLITICAL SUBDIVISIONS - PERMITS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**State or Political Subdivision:**

TOWN OF WILMETTE  
1200 WILMETTE AVE  
WILMETTE, IL 60091

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**Section II - Who Is An Insured** is amended to include as an insured any state or political subdivision shown in the Schedule, subject to the following provisions:

1. This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.
2. This insurance does not apply to:
  - a. "Bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
  - b. "Bodily injury" or "property damage" included within the "products-completed operations hazard."

**NAUTILUS INSURANCE COMPANY**

POLICY NUMBER: **NC428079**

LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name of Person or Organization:	Premium \$	300
VUK BUILDERS, INC		

Address:  
1464 N PAULINA  
CHICAGO IL 60622-

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule and only for liability arising out of your negligence and only for occurrences or coverages not otherwise excluded in the policy to which this endorsement applies.

Your policy is primary in the event of an occurrence caused by your sole negligence as respects the job described below: (MUST BE COMPLETED)

Job Description:

Address:  
663 W BARRY  
CHICAGO IL 60657-

All other Terms and Conditions of this Insurance remain unchanged.

**NAUTILUS INSURANCE COMPANY**

POLICY NUMBER: NC428079

LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name of Person or Organization:

Premium \$ 300

VUK BUILDERS, INC.

Address:

1464 N PAULINA  
CHICAGO

IL 60622-

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule and only for liability arising out of your negligence and only for occurrences or coverages not otherwise excluded in the policy to which this endorsement applies.

Your policy is primary in the event of an occurrence caused by your sole negligence as respects the job described below: (MUST BE COMPLETED)

Job Description:

Address:

6425 W TOUHY  
CHICAGO

IL 60646-

All other Terms and Conditions of this Insurance remain unchanged.

**NAUTILUS INSURANCE COMPANY**

POLICY NUMBER: NC428079

LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name of Person or Organization:

Premium \$ 3.00

VUK BUILDERS, INC

Address:

1464 N PAULINA  
CHICAGO

IL 60622-

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule and only for liability arising out of your negligence and only for occurrences or coverages not otherwise excluded in the policy to which this endorsement applies.

Your policy is primary in the event of an occurrence caused by your sole negligence as respects the job described below: (MUST BE COMPLETED)

Job Description:

Address:

5321 N LINCOLN AVENUE  
CHICAGO

IL -

All other Terms and Conditions of this Insurance remain unchanged.

**NAUTILUS INSURANCE COMPANY**

POLICY NUMBER: NC428079

LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name of Person or Organization:	Premium \$	300
VUK BUILDERS, INC.		

Address:  
1464 N PAULINA  
CHICAGO IL 60622-

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule and only for liability arising out of your negligence and only for occurrences or coverages not otherwise excluded in the policy to which this endorsement applies.

Your policy is primary in the event of an occurrence caused by your sole negligence as respects the job described below: (MUST BE COMPLETED)

Job Description:

Address:  
5414-26 N KEDZIE  
CHICAGO IL 60625-

All other Terms and Conditions of this Insurance remain unchanged.

**NAUTILUS INSURANCE COMPANY**

**POLICY NUMBER: NC428079**

**LIABILITY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED ENDORSEMENT**

This endorsement modifies coverage provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SECTION II - WHO IS AN INSURED** is amended to include as an insured the person or organization shown in the Schedule below, but only for liability arising out of your negligence and only for occurrences or coverage not otherwise excluded in the policy to which this endorsement applies.

**SCHEDULE**

Name of Person or Organization:

FAIRFIELD DEVELOPMENT  
ATTN: JEFF AND RYAN  
320 FRONTAGE  
NORTHFIELD, IL 60093

All other terms and conditions of this policy remain unchanged.



**NAUTILUS INSURANCE COMPANY**

**POLICY NUMBER: NC428079**

**LIABILITY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED ENDORSEMENT**

This endorsement modifies coverage provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SECTION II - WHO IS AN INSURED** is amended to include as an insured the person or organization shown in the Schedule below, but only for liability arising out of your negligence and only for occurrences or coverage not otherwise excluded in the policy to which this endorsement applies.

**SCHEDULE**

Name of Person or Organization:

GREENWORK LTD., FRANCIS WHITEHEAD, AND JAMES ELINKSKI  
406 N. ABERDEEN  
CHICAGO, IL 60622

All other terms and conditions of this policy remain unchanged.

**NAUTILUS INSURANCE COMPANY**

**POLICY NUMBER: NC428079**

**LIABILITY ENDORSEMENT**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED ENDORSEMENT**

This endorsement modifies coverage provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SECTION II - WHO IS AN INSURED** is amended to include as an insured the person or organization shown in the Schedule below, but only for liability arising out of your negligence and only for occurrences or coverage not otherwise excluded in the policy to which this endorsement applies.

**SCHEDULE**

Name of Person or Organization:

HIGHLAND DESIGN AND VINTAGE HOMES CONSTRUCTION  
1440 W. ROSEMONT  
CHICAGO, IL 60660

LOCATION: 1947 W. FLETCHER; CHICAGO, IL

All other terms and conditions of this policy remain unchanged.

**NAUTILUS INSURANCE COMPANY**

**POLICY NUMBER: NC428079**

**LIABILITY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED ENDORSEMENT**

This endorsement modifies coverage provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SECTION II - WHO IS AN INSURED** is amended to include as an insured the person or organization shown in the Schedule below, but only for liability arising out of your negligence and only for occurrences or coverage not otherwise excluded in the policy to which this endorsement applies.

**SCHEDULE**

Name of Person or Organization:

1001 NORTH, INC. AND 1309 ASHLAND, INC.  
1000 N. MILWAUKEE  
CHICAGO, IL 60622

LOCATION: 1309 N. ASHLAND; CHICAGO, IL

All other terms and conditions of this policy remain unchanged.